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Supreme Court of the United States

JAMES R. EDDINGS, an individual; GALT MEDICAL CORP., a Texas corporation; and XENTEK MEDICAL INC., a Texas corporation,

Petitioners,

v.

LARRY G. JUNKER, an individual,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

The Court recently granted a petition for writ of certiorari to the United States Court of Appeals for the Federal Circuit in *Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc.*, No. 04-597. The question in *Unitherm* concerns the right of a court of appeals to review the sufficiency of evidence supporting a civil jury verdict when a party made a timely Rule 50(a) motion, but neither renewed that motion under Rule 50(b) nor moved for a new trial under Rule 59. This case presents a related and equally important question arising from the Federal Circuit. The question presented is:

Did the Federal Circuit err in holding Petitioners' Rule 50(a) motion inadequate when the motion literally complied with the rule by specifying the judgment of patent invalidity Petitioners sought and the specific section of the Patent Act and the facts on which they relied?

LIST OF PARTIES AND RULE 29.6 STATEMENT

James R. Eddings, an individual; Galt Medical Corp., a Texas corporation; and, Xentek Medical Inc., a Texas corporation are the Petitioners.

Larry G. Junker, an individual, is the Respondent.

Neither corporate petitioner has a parent and no publicly held corporation owns 10% or more of the stock of either of the corporate petitioners.

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Petitioners James R. Eddings, Galt Medical Corp. and Xentek Medical, Inc. respectfully pray that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Federal Circuit, entered in the above-entitled proceeding on February 8, 2005.

OPINIONS AND ORDERS BELOW

The opinion of the Court of Appeals for the Federal Circuit is reported at 396 F.3d 1359 and is reprinted in the Appendix to the Petition ("Pet. App.") at 1a-20a. The transcript containing the district court's order denying Petitioner's oral Rule 50(a) motion is reprinted at 32a. The docket entry denying Petitioners' Rule 50(b) motion is reprinted at 21a-22a.

STATEMENT OF JURISDICTION

The Court of Appeals entered its judgment on February 8, 2005. This Court has jurisdiction under 28 U.S.C. § 1254(1).

THE RULE INVOLVED

Rule 50, Federal Rules of Civil Procedure, is reprinted at 37a-39a.

STATEMENT OF THE CASE

This petition raises a recurring question of trial procedure and appellate review important to both the Federal Circuit and to regional circuit courts: Is it sufficient that the Rule 50(a) motion of a losing party in a civil jury trial specifies the judgment sought and the law and facts on which

that party asserts it is entitled to the judgment? Panel decisions of the Federal Circuit have been inconsistent, many requiring less than faithful compliance in comparable situations, while in the instant case even literal compliance was deemed inadequate. Regional circuits likewise have been inconsistent.

A. Factual Background

Galt Medical Corp. ("Galt") manufactures medical devices. In 1998, James R. Eddings met with Larry G. Junker to consider the concept of an introducer sheath for medical insertion of catheters. Mr. Eddings thereafter formed Xentek Medical, Inc. ("Xentek") to develop and manufacture an introducer sheath. At some point, Galt took over those responsibilities. Mr. Eddings is the president of both entities.

In 1998, Xentek hired Richard Gillespie to develop the new sheath. Petitioners (Mr. Eddings, Galt, and Xentek) expected Respondent Junker to be involved in marketing and sales activities, and he was until early 2002. In 1999, Respondent was provided with copies of production drawings Mr. Gillespie had created. In early 2000, Mr. Gillespie filed a utility patent application for the introducer sheath invention using several of his production drawings.[1] The application was assigned to Galt and subsequently issued as United States Patent No. 6,336, 914.

Within a matter of weeks, and as part of their effort to provide Respondent with periodic progress reports, Petitioners informed Respondent about the utility patent application. Shortly thereafter, Respondent quietly filed a

1. Utility patents may be obtained for new, useful and non-obvious inventions. 35 U.S.C. §§ 101-103.

design patent application for an introducer sheath handle, also using Mr. Gillespie's production drawings.[2] This yielded the design patent in suit, U.S. Patent No. D 450,839. Following a business disagreement, Respondent sued Petitioners. Jurisdiction in the court of first instance was based on 35 U.S.C. § 1338(a).

B. Proceedings Below

At trial, Respondent alleged, *inter alia*, design patent infringement. Petitioners' sole defense was that the patent claim was invalid as anticipated under several subparts of 35 U.S.C. § 102.[3] Of particular relevance here, Petitioners asserted that Respondent's patented design for an introducer sheath handle was anticipated under 35 U.S.C. § 102(e)(2) by Galt's prior-filed utility patent.[4]

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2. 396 F.3d at 1361. Design patents may be obtained for new, original and ornamental designs. 35 U.S.C. § 171. *See generally Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 148 (1989).

3. That section is entitled "Conditions for patentability; novelty and loss of right to patent." The trial court had previously granted partial summary judgment that the design patent claim was not invalid for obviousness under 35 U.S.C. § 103.

4. That provision bars a patent if "the invention was described in . . . (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent." 35 U.S.C. § 102(e)(2). It is applicable to design patents. 35 U.S.C. § 171. Respondents also asserted Junker's design patent was anticipated under 35 U.S.C. § 102(f) and/or § 102(g)(2) because Junker merely copied the design from Mr. Gillespie's drawings.

Respondent necessarily conceded that the handles shown in that Galt utility patent are the same handles he had patented. To avoid invalidity, however, Respondent contended he was the first inventor of the handle design and sought to prove he engaged in design efforts prior to the filing date of Galt's utility patent. The only evidence corroborating his contention was a single document suggesting he was the source of one of many ornamental features — the enlarged "Mickey Mouse ear" shape of the handle.[5] Petitioners argued this evidence was immaterial because the patented design incorporated numerous other ornamental features that Respondent did not invent. 396 F.3d at 1361.

In all events, Petitioners timely moved for judgment as a matter of law pursuant to Rule 50(a). They asserted, *inter alia*, that the design patent was invalid under 35 U.S.C. § 102(e)(2) in view of Galt's prior-filed utility patent and Respondent's necessary concession that his patented handle design was shown in the utility patent's drawings.[6] Petitioners thus concluded that "none of the evidence [Respondent] has submitted actually shows the design *as claimed in his patent*."[7] The trial court denied the JMOL motion without prejudice to its renewal. Pet. App. 34a.

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5. A party's testimony regarding prior inventorship must be corroborated by other evidence. *See, e.g., United Shoe Mach. Corp. v. Brooklyn Wood Heel Corp.*, 77 F.2d 263, 264 (2d Cir. 1935) (Hand, L., J.); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996), *cert. denied*, 525 U.S. 1106 (1999).

6. Pet. App. at 28a-30a. They alternatively moved for JMOL under 35 U.S.C. § 102(f) and/or § 102(g)(2).

7. Pet. App. at 29a (emphasis added).

After an unfavorable jury decision, Petitioners timely renewed their motion for JMOL that the design patent was invalid pursuant to Fed. R. Civ. P. 50(b). The trial court again denied that motion. 396 F.3d at 1362.

On appeal, the Federal Circuit held Petitioners' Rule 50(a) motion was insufficient to preserve error, except as to the only ornamental feature of the design patent on which Respondent had presented corroborating evidence. According to the appellate court, Petitioners failed to adequately advise that their challenge to the validity of the design patent claim involved other aspects of the patented design. In effect, the appellate court faulted Petitioners for not listing in the motion each claimed feature for which Respondent had not offered evidence. In so doing, the Federal Circuit ignored controlling law that a design patent claim includes *all* of the features depicted in solid lines in the patent drawings, and, thus, imposed on Petitioners a burden different from and beyond that required under Rule 50(a).

REASONS FOR GRANTING THE PETITION

I.

THE DECISION BELOW CONTROVERTS BOTH THE LITERAL LANGUAGE OF FED. R. CIV. P. 50(a) AND FEDERAL CIRCUIT PRECEDENT

A. Because The Parties Did Not Present Any Dispute About the Meaning of the Design Patent Claim to the District Court, The Claim Had its Ordinary Meaning

A design patent protects an invention that is new, original and ornamental. 35 U.S.C. § 171. It concludes with a single claim to the ornamental design of the article "as shown" or "as shown or described." 37 C.F.R. § 1.153. The drawings (and descriptive text, if any) of a design patent thus define the metes and bounds of the claim. *See, e.g., Contessa Food Prods., Inc. v. Conagra, Inc.*, 282 F.3d 1370, 1376 (Fed. Cir. 2002).

This Court has instructed that the meaning of disputed terms of a utility patent claim are to be determined by the court as a matter of law. *Markman v. Westview Instruments, Inc.* 517 U.S. 370 (1996), *aff'g.*, 52 F.3d 967 (Fed. Cir. 1995). Even prior to this Court's affirmance of *Markman*, the Federal Circuit had applied the rule that claim construction is solely a matter of law to the single claim in each design patent. *See, e.g., Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir. 1995). Accordingly, as a matter of law, a design patent claim includes *all* of the ornamental features shown in the patent's drawings. *Contessa,* 282 F.3d at 1377; *Door-Master Corp. v. Yorktowne, Inc.*, 256 F.3d 1308, 1312-13

(Fed. Cir. 2001). In turn, all features illustrated in solid lines are ornamental features. Only features depicted in broken lines in a drawing are excluded from the claim. *Contessa*, 282 F.3d at 1378. *Accord Door-Master,* 256 F.3d at 1313; *Elmer,* 67 F.3d at 1577.

Trial courts are not required to construe each term or word in a patent claim, nor are they required to issue a claim construction ruling in every case. Rather, district courts are required to construe only disputed claim language. *See, e.g., Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1116 (Fed. Cir. 1998). The Joint Pretrial Order made no mention of any legal dispute about the meaning of the claim.[8] Respondent never asserted that the trial court should construe that claim as limited to the single feature on which he could offer corroborating evidence and ignore all other features of the handle shown in solid lines in the patent drawings. Indeed, such an approach would have been contrary to established law, *i.e.,* that the patent claim, as a matter of law, includes all features depicted in solid lines. *Contessa*; *Door-Master*; *Elmer*. Accordingly, the patent claim had its ordinary meaning, *viz.,* all of the features depicted in solid

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8. The jury charge also referred to "ornamental features [plural]." This is consistent with Respondent's sworn statements prior to trial that the claimed handles included "ornamental features [plural]." A14, A21, A306. What seems to have happened is that Respondent's trial counsel realized he could corroborate only one feature of a multi-featured design. Since the Galt utility patent (based on the same drawings later used by Respondent in his design patent) necessarily depicted all of the claimed ornamental features, the design patent would be held invalid. Consequently, Respondent ignored those portions of the design patent claim for which he had no evidence.

lines in the drawings were ornamental features. *York Prods. v. Central Tractor Farm & Family Ctr.*, 99 F.3d 1568, 1572 (Fed. Cir. 1996) (ordinary meaning).

B. The Decisions from the Federal Circuit About Rule 50(a) Motions on Invalidity Are In Conflict, But None Requires the Additional Category of Information Demanded of Petitioners

The Federal Circuit has not consistently required literal compliance with Rule 50(a) in comparable situations. By way of background, invalidity because of anticipation under 35 U.S.C. § 102 requires that a single piece of prior art contain every element of the patent claim in issue. *See, e.g., Topliff v. Topliff,* 145 U.S. 156, 163-64 (1892); *Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 771 (Fed. Cir. 1983). Section 103 defines an alternative basis on which a patent claim may be invalidated:

> A patent may not be obtained *though the invention is not identically disclosed or described as set forth in section 102* . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made. . . .

35 U.S.C. § 103(a) (emphasis added). *See Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966) (defining underlying factual inquires on which to make the ultimate legal determination, including determining "differences between the prior art and the claims at issue").

The Federal Circuit has held that a pre-verdict JMOL motion on anticipation does not support a post-verdict motion on obviousness, because they are "related, but legally distinct and separate challenges to a patent's validity." *Duro-Last, Inc. v. Custom Seal, Inc.*, 321 F.3d 1098, 1107 (Fed. Cir. 2003). *Accord Union Carbide Chems. & Plastic Tech Corp. v. Shell Oil Co.*, 308 F.3d 1167, 1188 (Fed. Cir. 2002). Yet, the Federal Circuit also has held that a pre-verdict motion based solely on obviousness is sufficient to preserve an invalidity argument on appeal based on anticipation. *See, e.g., Johns Hopkins Univ. v. CellPro, Inc.*, 152 F.3d 1342, 1357 n.21 (Fed. Cir. 1998); *Mercexchange, L.L.C. v. eBay, Inc.*, __ F.3d __, 2005 WL 605779 (Fed. Cir. March 16, 2005).[9]

Those rulings are hopelessly in conflict. JMOL based on obviousness is founded on a different and alternative section of the Patent Act than JMOL of anticipation. The facts supporting JMOL based on obviousness presupposes that there are differences between the claim and any one piece of prior art, while the facts supporting JMOL of anticipation necessarily consist of a single piece of prior art meeting every limitation of the claim. *Johns Hopkins* and *Mercexchange* ignore the movant's failures to identify the statutory section for anticipation and the necessary premise of the Rule 50 motions that there *were* differences between the patent claim

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9. *Johns Hopkins* and *Mercexchange* rationalize their end result by opining that anticipation is the epitome of obviousness. This philosophical observation ignores the specific language of section 103 that it is applicable in situations where section 102 does not apply, and the different factual inquires underlying these related, but legally distinct and separate challenges to a patent's validity. *Graham, supra; Duro-Last, supra.*

and the prior art. Those cases also ignore, and are inconsistent with, *Duro-Last*.

Applying the rationale used below, a pre-verdict motion on obviousness would have to identify the specific claim term not found in a prior art reference. That argument would necessarily be inconsistent with one asserting exact identity between the elements of a claim and an anticipating prior art reference. Yet, *Johns Hopkins* and *Mercexchange* deemed a motion based only on obviousness to preserve an appeal on anticipation.

Rule 50, moreover, does not (and should not) require such specific level of detail, nor has the Federal Circuit required such detail before the instant case. In *Gaus v. Conair Corp.*, 363 F.3d 1284 (Fed. Cir. 2004), the losing party's JMOL of non-infringement was supported only by a cursory listing of the grounds on which the motion was based, *i.e.*, the "all elements" rule and "specification estoppel." *Id.* at 1287.[10] The Federal Circuit held this level of detail sufficient to preserve the issue for appeal. *Id.* Conair was not required to identify which specific claim limitation had not been met to preserve error under Rule 50.

Here, Petitioners complied with the literal language of Rule 50(a). Their motion advised the trial court they sought

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10. The "all elements" rule instructs that a claim is not infringed unless a device or process contains all of its elements. *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997). Specification estoppel presumably meant that because of a statement in the patent specification, or the way in which the patent specification defined a term, the patent owner was precluded from extending the patent claim to encompass the accused device. *See generally Warner-Jenkinson*, 520 U.S. at 33.

a judgment that the design patent is invalid. Their motion cited the precise section of the patent statute on which they relied, 35 U.S.C. § 102(e)(2). Their motion also identified the facts on which they relied, *viz.* Galt's prior-filed utility patent and the conceded sameness of the design of the handles in the utility patent and those depicted in Respondent's later-filed design patent. That should have been more than sufficient to preserve the issue for appeal.[11] Petitioners timely renewed their motion under Rule 50(b). 396 F.3d at 1364.

Petitioners' motion did not state explicitly that the design patent claim necessarily had the meaning ascribed to it under controlling case law. Their motion did not identify each specific claimed ornamental feature as to which Respondent had not even attempted to offer evidence. Rule 50, however, requires only that the moving party identify the evidence on the movant relies. Offering a list of ornamental features ignored by Respondent, in addition to identifying the prior art patent showing every ornamented feature in the design patent is far different than, and beyond, what is required by Fed. R. Civ. P. 50 and Federal Circuit case law. *Gaus*, 363 F.3d at 1287; *Johns Hopkins*, 152 F.3d at 1357 n.21.

The failure to consider Petitioners' Rule 50 motions on their merits was prejudicial. The court below should have treated Respondent's design patent claim as having its ordinary meaning, including all of the features the patent drawings depicted in solid lines. Those features were

11. Some regional courts hold that a Rule 50(a) motion must identify the specific elements of the opponents case that lacks support. *See* 9 Moore's Federal Practice, § 50.21[1] at 50-46 n.3 (3d ed.) (citing cases). Yet at least one of those circuit courts requires an objection to lack of specificity in the Rule 50(a) motion at the time the motion is made. Failure to do so waives the argument that the Rule 50(a) motion was not sufficiently specific. *Id.* at § 50.21[3] at 50-48 n.11 (citing cases).

admittedly also shown in Galt's utility patent. Since Respondent could not show he had invented all of the features depicted in solid lines prior to the date of Galt's utility patent, JMOL of patent invalidity should have been granted.

Having granted certiorari in *Unitherm* on a Rule 50 issue, this Court should also grant certiorari in the instant case to clarify that all a Rule 50 motion need disclose is what the rule mandates: the judgement sought and the law and facts on which the movant relies. This would provide needed guidance to the appellate courts and the trial bar. The Court also should grant certiorari to resolve the intra-circuit Rule 50 conflicts concerning the preservation of anticipation, infringement, and non-obvious issues for appeal.

CONCLUSION

For the foregoing reasons, Petitioners respectfully requests that the Court grant this Petition for a Writ of Certiorari, reverse the judgment of the Court of Appeals for the Federal Circuit that Petitioners failed to preserve their right to appellate review on their defense of invalidity based on anticipation, and remand the case for consideration of that defense on the merits.

Respectfully submitted,

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APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED FEBRUARY 8, 2005

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 04-1208, 04-1271

LARRY G. JUNKER,

Plaintiff-Cross Appellant,

v.

JAMES R. EDDINGS, GALT MEDICAL CORP., and XENTEK MEDICAL INC.,

Defendants-Appellants.

DECIDED: February 8, 2005.

Before NEWMAN, *Circuit Judge*, FRIEDMAN, *Senior Circuit Judge*, and BRYSON, *Circuit Judge*.

FRIEDMAN, *Senior Circuit Judge*.

In this design patent infringement case, the jury, answering interrogatories, found that the patent was valid and willfully infringed, and awarded damages of $813,550 for the infringement, but denied damages for breach of a non-disclosure agreement. The district court denied judgment as a matter of law for the defendants, refused to establish a constructive trust for the patentee's benefit, and awarded the

patentee attorney fees. *Junker v. Eddings*, No. 3:02-CV-0172-M (N.D.Tex. Jan. 16, 2004) ("Amended Judgment"). We affirm all of those actions, except the attorney fee award, which we vacate and remand for further proceedings.

I

The basic facts are largely undisputed. Larry G. Junker was an inventor and a salesman of medical devices. Beginning in 1998, the appellant Galt Medical Corporation's president, James R. Eddings, met and communicated with Junker to develop and market an introducer sheath for medical insertion of catheters. At their first meeting in August 1998, Junker and Eddings each signed a non-disclosure agreement. Junker then showed Eddings a prototype design for an introducer sheath that Junker had developed, which included larger handles so that doctors could more easily grip the sheath.

Junker suggested to Eddings by fax in December 1998 that the handle of the sheath be made "larger (wider)" and attached a hand-drawn sketch showing a propeller-shaped design. The appellants (collectively, "Galt") subsequently revised the handle design of the Galt introducer sheath in development so that it appeared similar to Junker's sketch. During 1999, Galt gave Junker copies of its prototypes and final production drawings to aid in his sales and marketing efforts.

On January 13, 2000, Galt filed a patent application for the introducer sheath, naming Richard Gillespie, a developer it had hired, as the inventor. Galt's utility patent, U.S. Patent

No. 6,336,914 (issued Jan. 8, 2002) (the "'914 patent") eventually issued from this application.

Shortly after learning about Galt's application, Junker filed his own design patent application on February 7, 2000, using the same production drawings that Galt had filed as part of its '914 patent application. The patent in suit, U.S. Patent No. D 450,839 (issued Nov. 20, 2001) (the "D'839 patent"), issued to Junker from this application. The sole claim of the D'839 patent reads as follows: "The ornamental design for a handle for introducer sheath, as shown and described[,]" followed by figures taken from Galt's drawings. D '839 patent, 1-4.

Following a business disagreement, Junker sued Galt in the United States District Court for the Northern District of Texas. Junker alleged infringement of the D'839 patent, as well as state law claims including breach of contract based on Galt's violation of the 1998 non-disclosure agreement. In response, Galt asserted that the D'839 patent was invalid under several provisions of 35 U.S.C. § 102 because Junker was not the first to invent the claimed design. *Junker v. Eddings*, No. 3:02-CV-0172-M (N.D.Tex. Dec. 5, 2003) (joint pretrial order).

From the start of the litigation, Junker contended that the scope of his D'839 patent claim was limited to a single ornamental feature of the introducer sheath, namely, the enlarged, rounded, "Mickey Mouse ear" shaped handle. In keeping with this argument, at trial Junker only presented evidence relating to this single feature, which he contended that he had invented prior to the '914 patent application,

based on evidence including his December 1998 fax to Eddings. Galt argued that the D'839 patent claimed numerous additional features that Junker did not invent. Galt also moved unsuccessfully for partial summary judgment under 35 U.S.C. § 171 on the ground that the D '839 design was functional rather than ornamental. The claim of the D '839 patent was never judicially construed, and Galt never requested that such a construction be done.

Before the case was submitted to the jury, Galt moved for judgment as a matter of law (JMOL) pursuant to Rule 50(a) of the Federal Rules of Civil Procedure. Galt contended that the claim of the D'839 patent was invalid under 35 U.S.C. § 102(e) based on the earlier filing date of the '914 patent, or alternatively under 35 U.S.C. § 102(f) and/or § 102(g)(2). The trial court denied Galt's motion without prejudice to its renewal.

Without objection, the court gave the jury a single question covering all of Galt's section 102 defenses:

> 7. Do you find from clear and convincing evidence that plaintiff was not the first inventor of the design described in the '839 patent?

The court also gave the following jury instruction without objection:

> . . . [Y]ou are instructed that plaintiff was not the first inventor if you find from clear and convincing evidence that the ornamental features claimed in

> the '839 patent were known and used, or made and not abandoned or suppressed, by persons other than Plaintiff before the date of Plaintiff's invention. Answer "Yes" or "No".

(J.A. at 21, 1011.) The jury answered question 7 "No." (J.A. at 21, 1022.)

The jury found that Junker had sustained $813,550 in damages due to Galt's infringement of his D'839 patent, and the court awarded Junker this amount at final judgment. Am. J. at ¶ 5. The jury also found that Galt had breached the August 1998 non-disclosure agreement, but that the breach had not caused Junker any damages. Post-verdict, Galt renewed its motion for JMOL that the D '839 patent was invalid in accordance with Rule 50(b), and the court again denied it.

The district court also awarded Junker attorney fees of $275,000 under 35 U.S.C. § 285. Am. J. at ¶ 9. According to Junker's attorney, the actual fees Junker had incurred were $126,712.50. (J.A. at 1054.) The court gave no justification for or explanation of the basis for the increased amount. Galt's appeal challenges the validity rulings and the amount of the attorney fee award.

Based on the jury's findings that Galt had breached the 1998 non-disclosure agreement, but that the breach had not caused Junker any damages, Junker asked the district court to impose a constructive trust on Galt's '914 patent as a remedy for Galt's breach. The court denied the request, stating that "because the jury awarded no damages, Plaintiff is not

entitled to any relief for Defendant's breach." *Id.* at ¶ 10. Junker has cross-appealed the denial of a constructive trust and the failure to award breach-of-contract damages.

II

Galt first argues that the D'839 patent is invalid under 35 U.S.C. §§ 102(e), 102(f) and/or 102(g)(2) because Junker was not the first to invent the ornamental design features shown in the patent, and that the district court therefore erred in denying Galt's motions for JMOL. Galt contends that because the D'839 patent includes ornamental features such as upswept handles and distal rounded side edges in addition to the enlarged "Mickey Mouse ear" shaped handle, no reasonable jury could have concluded that Junker was first to invent the design claimed in the patent. Implicit in this contention is the assumption that Galt, in its Rule 50 motions for JMOL, adequately challenged the sufficiency of the evidence supporting Junker's infringement claim. We agree with Junker, however, that Galt's JMOL motions did not adequately raise the issue, and that Galt therefore cannot now press the contention.

Galt filed two motions for JMOL based on the alleged insufficiency of the evidence to support Junker's infringement claim, both of which involved the scope and meaning of the D'839 patent. Galt filed the first motion under Rule 50(a) of the Federal Rules of Civil Procedure after the trial had been completed, but before the case was submitted to the jury. It was an oral motion that raised a number of issues. With respect to the question here at issue, Galt alleged that "[t]here is no evidence presented by the plaintiff that

corroborates Mr. Junker's claim to have invented the design shown and claimed in this patent before January 13, 2000 or any other prior time," and that "there is no corroboration from his oral testimony that he was the inventor of the design claimed in the '839 patent prior to the date stated." Galt referred several times to the "design claimed in the patent" or "the design." The district court denied the motion from the bench without explanation and "without prejudice to the issue being raised . . . post verdict." (J.A. at 1005-06.)

After the jury upheld the validity of the D'839 patent, Galt moved for JMOL that the patent was invalid because there was no evidence that Junker had conceived "*each element or feature* of the design claimed in his '839 patent prior to the filing date of that patent or that of [Galt's] '914 patent." (J.A. at 1028 (emphasis in original).) Galt further argued that "the Plaintiff must have shown that at the time of his conception, he could have described his invention *as claimed in the drawings* (that is, *every feature* in the drawings) of the '839 patent," (J.A. at 1030 (emphases in original)), and that

> There is no *corroborating* evidence whatsoever of such a conception by Plaintiff of *every feature* in the '839 patent prior to the date he filed his application, or prior to any other date he could have claimed as his date of invention. He only produced some evidence of a racetrack shaped handle model and a later one-dimensional view in a fax of a hand-drawn propeller shape. He introduced no corroborating evidence of his conception of the complex handle curving through

> three-dimensional space, with it [sic] many surface features, that appears in the '839 patent drawings (which he admits he did not draw but obtained from Defendants). This is not clear and convincing evidence of his conception of every feature claimed in all the drawings of the '839 patent and therefore is legally insufficient to support a finding that he was the prior inventor before the '914 filing date or the '839 filing date.

(J.A. at 1031 (emphases in original).)

Rule 50(a) provides that a motion for JMOL made before the case is submitted to the jury "shall specify . . . the facts on which the moving party is entitled to the judgment." Fed.R.Civ.P. 50(a)(2). Therefore, Galt's Rule 50(a) oral motion had to be sufficiently specific regarding its factual basis to inform Junker of exactly what Galt alleged to be deficient in Junker's evidence, thus giving Junker an opportunity to cure the defects in proof. *See Gaus v. Conair Corp.*, 363 F.3d 1284, 1287 (Fed.Cir.2004); *Duro-Last, Inc. v. Custom Seal, Inc.*, 321 F.3d 1098, 1106 (Fed.Cir.2003). The specificity requirement serves the further important purpose of informing the trial court of the precise issues it must decide in ruling on the motion. *See, e.g., Gordon v. County of Rockland*, 110 F.3d 886, 887 (2d Cir.1997); *Clark v. Cent. States Dredging Co.*, 430 F.2d 63, 65 (8th Cir.1970); *see also* 9 James W. Moore et al., *Moore's Fed. Practice* ¶ 50.02[3] (3d ed.1997). The issue here "pertains uniquely to patent law" in that it concerns specific features of a design patent and therefore, we review the district court's determination under Federal Circuit law. *Duro-Last*, 321 F.3d at 1106.

Appendix A

Galt's original JMOL motion referred to the subject matter claimed in the D '839 patent in general terms, such as the "design claimed in the patent." At trial, Junker only introduced evidence on the sole ornamental feature that he claimed to have invented, the enlarged "Mickey Mouse ear" shape of the handle. Galt's present argument of invalidity, however, is based upon specific additional features of the design, such as its upswept appearance and rounded side edges, which Galt now contends are ornamental. We do not think that the general statements in Galt's original JMOL motion were adequate to inform either Junker or the district court that Galt's challenges to the validity of the D'839 patent involved these specific elements of the design.

To be sure, "courts may excuse a party's failure to comply with the technical requirements of Rule 50 if the party clearly challenged the sufficiency of the evidence on the disputed issue at some point during trial, thereby alerting the opposing party as to the grounds on which the evidence is allegedly insufficient." *Duro-Last*, 321 F.3d at 1106; *cf. Gaus*, 363 F.3d at 1287-88 (party had notice of claim construction issue on appeal where opponent had made similar argument before trial). But this case involves not just a mere "technical" failure to comply. Although Junker repeatedly contended that the only ornamental feature his patent disclosed was the enlarged rounded handle, Galt never offered evidence at trial relating to specific additional ornamental features claimed in the D'839 patent as the basis for invalidating it. While Galt presented some evidence relating to various features of the introducer sheath, these features were not definitively categorized as ornamental or functional. For example, evidence regarding the rounded edges, which Galt now

contends are ornamental features, suggests that these edges had the functional purpose of preventing surgical gloves from snagging.

Although Galt's post-verdict motion was somewhat more specific, it too was not sufficiently detailed in describing the facts and ornamental features upon which Galt based its claim of invalidity. In any event, Galt's Rule 50(b) motion came too late, after the jury had already upheld the design patent's validity based upon the only specific ornamental design element that Junker's evidence had addressed. *See Duro-Last*, 321 F.3d at 1107 (stating that it is "constitutionally impermissible" under Seventh Amendment for district court to enter post-verdict JMOL on grounds not sufficiently raised in pre-verdict JMOL motion).

Galt contends, however, that because (1) only the solid line, and not the dotted line, portions of design patent diagrams define the claimed ornamental features of the design and (2) the additional design elements upon which it relies are depicted in solid lines, the references in its motions to the "design" shown in the patent sufficiently indicated that it was relying upon all the design elements shown in solid lines, and not just the element (the enlarged "Mickey Mouse ear" handle) clearly addressed by the evidence. Assuming without deciding that Galt correctly states the rule governing solid and dotted lines as defining the claims in design patents, that argument does not sustain its position. That principle, usually applied in construing the claims of a design patent, may be useful in determining what the claims of the design patent cover. *See Contessa Food Prods., Inc. v. Conagra, Inc.*, 282 F.3d 1370, 1378 (Fed.Cir.2002); *Door-Master Corp.*

v. Yorktowne, Inc., 256 F.3d 1308, 1312-13 (Fed.Cir.2001). The issue in this case, however, is not what the D'839 design patent claim means, but which elements of that claim Galt asserted in its JMOL motions as a basis for its invalidity assertion.

What remains on this issue, therefore, is to determine the evidentiary support for the jury's verdict of patent validity based on the only ornamental feature of the D'839 patent that the trial evidence addressed—the enlarged "Mickey Mouse ear" shaped handle. This court will reverse a denial of JMOL only "if the jury's factual findings are not supported by substantial evidence or if the legal conclusions implied from the jury's verdict cannot in law be supported by those findings." *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1454 (Fed.Cir.1998) (en banc). "Where, as here, a jury finds a patent valid, this court will not disturb that finding unless reasonable jurors could not have reached that verdict." *Door-Master*, 256 F.3d at 1312 (citing *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 893 (Fed.Cir.1984)).

In this case, the evidence before the jury on the validity issue included Junker's message and sketch suggesting to Eddings "larger (wider)" handles, which occurred well before Galt's '914 patent application. That evidence supports the jury's finding that there was not clear and convincing evidence that Junker was not the first to invent the enlarged "Mickey Mouse ear" shaped handle design claimed in the D'839 patent. We affirm the district court's denial of Galt's motion for JMOL.

Appendix A

III

Section 285 of Title 35 of the United States Code provides that "in exceptional [patent] cases" the court may award "reasonable attorney fees" to the prevailing party. In this case, the attorney fees Junker actually incurred totaled $126,712.50. The district court awarded Junker $275,000 as a reasonable attorney fee, without any explanation for more than doubling Junker's actual fees and without stating the basis upon which the court concluded that the higher fee was "reasonable." On the record before us, we cannot sustain the $275,000 fee award because we do not know the basis for it and therefore cannot determine whether it is reasonable. We therefore vacate the award of that fee, and remand the issue to the district court for reconsideration and explanation of the basis upon which the court determines that whatever fee it awards is reasonable.

Galt does not question either the jury's finding that its infringement was willful, or the district court's finding that the case was exceptional. Its sole challenge to the attorney fee award is that the amount was excessive.

Galt contends that any award more than the amount the client actually paid the attorney would not be reasonable. Galt relies upon this court's statements in *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1578 (Fed.Cir.1983), that "[t]he purpose of § 285 is . . . to compensate the prevailing party for its monetary outlays in the prosecution or defense of the suit[,]" and that "attorney fees . . . include those sums that the prevailing party incurs in the preparation for and performance of legal services related to the suit."

Although the amount the client paid the attorney is one factor for the court to consider in determining a reasonable fee, it does not establish an absolute ceiling. The determination of a reasonable attorney fee requires the court to consider all the relevant circumstances in a particular case, and we review that determination for abuse of discretion. *Pharmacia & Upjohn Co. v. Mylan Pharms., Inc.*, 182 F.3d 1356, 1359 (Fed.Cir.1999); *Water Techs. Corp. v. Calco. Ltd.*, 850 F.2d 660, 674 (Fed.Cir.1988).

Before the district court, Galt stipulated that the $126,712.50 fee, "which is the actual billing rate on 470 hours," was "a reasonable basis," and "a reasonable fee." However, Junker's lawyer stated that "some enhancement" of the fee "is appropriate for two reasons"—the case presented "quite a few issues in trial" and "the result is nothing short of extraordinary in terms of the jury verdict, damage, and willfulness finding." The lawyer also referred to "the low hourly rate that is being charged in this case, which I believe is well below patent counsel of our experience level in this area." He suggested that "the lodestar amount should be something more akin to the 470 hours that we actually billed, times a more reasonable hourly rate. I think that number, which would be something on the order of 470 hours at $350 an hour is $164,500." Finally, the lawyer stated that "in a patent case with less than a million at stake, fees in the Texas area [are] about $500,000, and we discounted that based on the assumption, which we think is reasonable, that 20 percent of those costs would be things like experts, appeal, et cetera. So that's the basis for our number."

Conspicuously absent from this record is the kind of evidence usually analyzed in determining a reasonable attorney fee: hourly time records, full expense statements, documentation of attorney hourly billing rates in the community for the particular type of work involved, the attorney's particular skills and experience, and detailed billing records or client's actual bills showing tasks performed in connection with the litigation. *See Water Techs.*, 850 F.2d at 674; *Central Soya*, 723 F.2d at 1578; *Lam, Inc. v. Johns-Manville Corp.*, 718 F.2d 1056, 1069 (Fed.Cir.1983).

Our review of the award is made even more difficult by the lack of any explanation by the district court of the factual and legal bases upon it which more than doubled the original attorney fee charged Junker of $126,712.50 to $275,000. The latter figure first appeared in the district court's final judgment, which merely stated: "Plaintiff is awarded reasonable and necessary attorneys' fees under 35 U.S.C. § 285 in the amount of $275,000.00." Am. J. at ¶ 9. Indeed, although at the hearing before the district court the attorney suggested that an appropriate fee would be $164,500, the court gave no reason why it added more than $100,000 to that figure.

As in *Water Technologies*, "we are unable to find sufficient support in the record to perform a meaningful review of the reasonableness of the attorney fees award." 850 F.2d at 674. Accordingly, as in that case, we vacate the award of attorney fees and remand to the district court for further proceedings. In so doing, we intimate no view on what would be a reasonable attorney fee, in this case—a determination that lies primarily within the discretion of the

district court. We assume that the district court will fully explain the basis for any subsequent award of attorney fees it may make.

IV

In his cross appeal, Junker challenges the lack of relief for the breach of the non-disclosure agreement that the jury found. He contends (A) that the district court erred in not imposing a constructive trust upon Galt's '914 utility patent for Junker's benefit; and (B) that he should have been awarded damages for Galt's breach.

A. The district court stated the theory upon which Junker sought a constructive trust: "It's my understanding the claim to the '914 patent is based on an alleged breach of the confidentiality or nondisclosures agreement, and [Junker is] claiming that because [Galt] used the information that [Galt] got from Mr. Junker in obtaining the '914, that's why we have two questions, that the remedy for that would be that [Junker] get the patent."

Because a constructive trust is a creature of state law, we look to that law to determine the requirements for and limits of that concept. Under the law of Texas (the state in which the defendants reside and in which the non-disclosure agreement was signed), a constructive trust is an equitable remedy for situations where a person holding title to property would be unjustly enriched if he were allowed to retain it. *See, e.g., Dyll v. Adams*, 167 F.3d 945, 948 (5th Cir.1999) (citing *Omohundro v. Matthews*, 341 S.W.2d 401, 405 (1960)). "[T]here is no unyielding formula to which a court of

equity is bound in decreeing a constructive trust, since the equity of the transaction will shape the measure of relief granted." *Meadows v. Bierschwale*, 516 S.W.2d 125, 131 (Tex.1974), cited and quoted in *Dyll*, 167 F.3d at 948. Since a district court has discretion whether to impose a constructive trust pursuant to its equitable powers, we review for abuse of discretion. *United States v. Durham*, 86 F.3d 70, 72 (5th Cir.1996).

Texas permits a constructive trust to be imposed if there is either "(1) breach of an informal relationship of special trust or confidence arising prior to the transaction in question, or (2) actual fraud." *Gruber v. Deuschle*, 261 F.Supp.2d 682, 696 (N.D.Tex.2003); *see Meadows v. Bierschwale*, 516 S.W.2d 125, 128 (Tex.1974). Junker failed to meet either of these requirements, and therefore, the district court did not abuse its discretion in refusing to impose a constructive trust.

Although Junker now argues that a confidential relationship between Junker and Galt "existed long before and without relation to Galt's receipt of a patent," (Appellee's Br. at 20), prior to trial Junker, in his brief in support of his motion for partial summary judgment, stated: "Defendants cannot show as a matter of law that the parties had a long standing fiduciary relationship necessary to impose a constructive trust. The opposite in fact is true that there was no confidential relationship in which Junker owed a duty to Defendants." Contrary to Junker's contention, the jury had not "found that a confidential relationship existed between Junker and Defendant Galt and that the confidential relationship was breached," *id.;* the jury found only that Galt "breached the non-disclosure agreement between [Junker] and Galt executed in August 1998[,]" as worded in jury question 1. "The fact that people have had prior dealings with each other

and that one party subjectively trusts the other does not establish a confidential relationship." *Consol. Gas & Equip. Co. of Am. v. Thompson*, 405 S.W.2d 333, 336 (Tex.1966).

With respect to the requirement of "actual fraud," Junker argues only that Galt's breach of the non-disclosure agreement constituted a "constructive fraud." (Cross Appellant's Reply Br. at 1.) The Texas Supreme Court has recognized, however, that for purposes of imposing a constructive trust, "mere breach of contract is not fraud" and "it may not be evidence of fraud." *Thigpen v. Locke*, 363 S.W.2d 247, 252 (Tex.1962). The record shows no actual fraud that would justify a constructive trust.

B. Junker's argument that having found a breach of the non-disclosure agreement, the jury was required to award him damages, and that the jury's failure to do so is "against the clear weight of the evidence," (Appellee's Br. at 21), fares no better.

He seeks breach of contract damages of $813,550, which allegedly equals Galt's gross sales of the product incorporating Junker's confidential information. Although he frames his argument in terms of a lack of evidentiary support for the jury's failure to award him any damages, analysis of his theory shows that the issue is a legal one: did the breach of the non-disclosure agreement automatically entitle him to recover the amount Galt received from the sale of its products involving the confidential information? Indeed, because Junker did not move for JMOL that if the jury found a breach, he was entitled to such an award, it is doubtful whether he now may challenge the evidentiary support for the

jury's verdict. *See Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1281 (Fed.Cir.2000) ("[A] party's failure to make a motion for JMOL, *see Fed.R.Civ.P. 50(b)*, at any phase of the litigation precludes an appellate court from reviewing the sufficiency of the evidence underlying the jury verdict." (citing *Biodex Corp v. Loredan Biomed. Inc.*, 946 F.2d 850, 862 (Fed.Cir.1991) and *Jurgens v. McKasy*, 927 F.2d 1552, 1557 (Fed.Cir.1991))).

The only theory upon which Junker could recover such damages is that if the non-disclosure agreement had not been breached, he, and not Galt, would have manufactured and sold the product. There is no evidence in the record, however, that would support that theory. Moreover, any such damages would be limited to whatever profit Junker could have realized from his activities; he certainly could not recover the total sales Galt made. The district court correctly instructed that the jury "should not award compensatory damages for speculative injuries, but only for those injuries that the wronged party has actually suffered." (J.A. at 16.) As the Texas courts hold, "[t]he proper measure of recovery for a breach of contract claim is the loss or damage actually sustained." *Valley Nissan, Inc. v. Davila*, 133 S.W.3d 702, 713-14 (Tex.App.2003) (citing *Stewart v. Basey*, 245 S.W.2d 484, 486 (1952)). The jury properly refused to award the damages Junker seeks for breach of a contract, because he had not shown that the breach caused him actual damage.

Junker relies on the statement in *University Computing Co. v. Lykes-Youngstown Corp.*, 504 F.2d 518 (5th Cir.1974), that "the 'appropriate measure of damages, by analogy to patent infringement, is not what plaintiff lost, but rather the benefits,

profits, or advantages gained by the defendant in the use of the trade secret.'" *Id.* at 536 (internal citation omitted). That case, however, involved damages not for breach of contract, but for misappropriation of a trade secret, which involves a different basis for determining damages. *See id.* at 535-36.

Furthermore, the dollar amount that Junker now seeks as damages for breach of contract is identical to the dollar amount the jury awarded him for infringement. Both claims arose out of the same set of operative facts regarding Galt's unauthorized use of the design Junker had developed. The circumstances at least suggest that awarding Junker the damages he seeks on his breach-of-contract claim would constitute a double recovery. *See Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317, 1327-28 (Fed.Cir.2003) (affirming denial of copyright infringement damages that arose from same lost sales as breach of contract damages); *Celeritas Techs., Ltd. v. Rockwell Int'l Corp.*, 150 F.3d 1354, 1362 (Fed.Cir.1998) (discussing need to avoid duplicative damages where patent infringement, breach of contract, and misappropriation causes of action arose from same set of operative facts).

Appendix A

CONCLUSION

Paragraph 9 of the amended judgment, awarding Junker attorney fees of $275,000, is vacated and the attorney fee issue is remanded to the district court for further proceedings in accordance with this opinion. The other portions of the amended judgment and the district court's rulings challenged on this appeal are affirmed.

AFFIRMED-IN-PART, VACATED-IN-PART, AND REMANDED.

COSTS

No costs

APPENDIX B — MINUTE ORDER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DATED DECEMBER 23, 2003

MINUTE ORDER - UNITED STATES DISTRICT COURT - NORTHERN DISTRICT OF TEXAS

PLACE: Dallas

JUDGE: **Barbara M. G. Lynn**

DATE: December 23, 2003

REPORTER: Sue Engledow

MARSHAL:

DEPUTY: Lori Greco

INTERPRETER:

CSO: Boyce Megason

COURT TIME: **1.50 Hrs TTL**

APPENDIX C — EXCERPTED TRANSCRIPT OF JURY TRIAL DATED DECEMBER 11, 2003

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

CIVIL ACTION NUMBER
3:02-CR-127-M

December 11, 2003

8:30 a.m.

LARRY G. JUNKER

Plaintiff,

VERSUS

JAMES R. EDDINGS, GALT MEDICAL CORP, and XENTEK MEDICAL, INC.

Defendant.

VOLUME 4

TRANSCRIPT OF JURY TRIAL
BEFORE THE HONORABLE BARBARA M.G. LYNN
UNITED STATES DISTRICT JUDGE and a jury

Appendix C

[commencing at page 42]

Inconsistent with what we have discussed?

MR. THOMAS: No, your Honor.

MR. PETRUZZI: Did we have the word "patent" inserted on number 13 after the '839?

THE COURT: Yes, I said that

MR. THOMAS: No objection.

THE COURT: Okay, You may make your formal objections to the charge then when we get this back.

Do you have an extra copy of your instructions with respect to judicial notice?

MR. YOUNG: I have mine, your Honor.

THE COURT: Let us just make a copy of that, I can't put my hands on that.

All right. I'll hear the plaintiff's motions. And, again, the parties have stipulated that although we are making – I'm hearing these motions before counsel have formally rested in the presence of the jury, because they have rested and closed, I'll hear the argument now and we will – all parties stipulated that the motions are being made timely and et an appropriate time during the trial.

Appendix C

MR. PETRUZZI: Your Honor, in view of the Court's disposition of certain instructions with regard to tortious interference claim, I just want to make a motion under rule 50 formally that the tortious interference claim not be permitted to go to the jury, because there was no evidence in support of [43] it with respect to the action itself, or with respect to damages to support the action.

THE COURT: Off the record counsel for the defense has argued in response to the Court's inquiry with respect to whether there was any evidence of damages, that the evidence of damages is that Mr. Junker conceded, as he did, in fact, that the plaintiff made at a claim – that the defendant and counterclaimant made a claim for $300.

That statement of the record is accurate. However, the Court concludes that the plaintiffs statement that the defendant and counterclaimant has made a claim constitutes no evidence of what damages were actually incurred by the defendant. And since there was no other evidence of damages, the Court is granting the rule 50 motion with respect to tortious interference.

I don't mean to cut you off. I was merely trying to summarize for you, Mr. Thomas. If I have not done that fairly, you can supplement as you wish now.

MR. THOMAS: We have no further argument on that point, your Honor.

THE COURT: I just didn't want to cut you off.

CIVIL ACTIONS

Time	Case Number & Style	Type Of Hearing & Results	Attys Present
2:55 p.m.	3:02-CV-0172-M Junker v. Eddings	Motion Hearing	Counsel of Record
		The Court held a hearing on post-verdict relief. The Court DENIED dft's Rule 50 Motion. The Court held that it will not impose a constructive trust on the '914 patent. The Court ordered Plaintiff to submit a proposed injunction to the Court asap. The Court ordered both parties to submit proposed forms of judgment & cross briefs regarding the issue of increased damages under section 285, due by January 3, 2004. Pla's exhibit 1 admitted into evidence. CRD retains exhibit in chambers. No order to enter. See record for specifics.	
4:30 p.m.		Hearing concluded	
4:31 p.m.		Attorney admission to the Northern District of Texas Schett Jakoby	

Appendix C

All right. Thank you.

MR. PETRUZZI: The second motion under rule 50 is that damages in this case, there is no controversy over the amount of damages. That just does not need to be asked what [44] the damages should be, at least the amount, because there is no other testimony other than what was put into evidence of $813,550 in sales, and that if the rule 50 provision only stated that the damages will be that number if the jury does not find the patent invalid, at least on the patent case.

THE COURT: All right. Well, because the defense objects to the Court not submitting the damage question, the Court will submit a damage question. So your motion is denied with respect to that.

MR. PETRUZZI: The third motion rule 50 would be that there is no evidence In this ease by defendant that there was a conception by either Mr. Eddings or Mr. Gillespie. There was testimony of work performed, but no witness on the defense side testified that I invented or conceived of the ornamental feature that is the subject of the '839 patent.

In that case, the '914 is not prior ark. They don't have evidence to support any of the defenses under 102(a)(g) and (e) and (f). Without evidence of conception, which is their burden, not just merely that they did something, you have to testify that they conceived of the invention, they invented something. Nobody testified to that. Mr. Eddings didn't testify to it. They're contending that Mr. Gillespie is the inventor.

Appendix C

So It Is our position there is not evidence from which this jury could conclude that there was another inventor. [45] There is no evidence of conception and reduction to practice by someone other than Mr. Junker.

So, again, It's inappropriate to submit to the jury questions of invalidity with respect to that statute, because there is no evidence that they can reasonably rely upon to draw that conclusion.

THE COURT: Your motion is denied in that respect without prejudice to reasserting the point at the appropriate time during and after trial.

MR. PETRUZZI: Thank you, your Honor. That's all the motions we have.

THE COURT: Defendants' motion.

MR. THOMAS: May It please the Court, Your Honor, the defense moves the Court for a judgment as a matter of law to rule 50,

First, that the Junker '839 patent is invalid under several sections of 102, 35 USC 102.

First, section 102 (a) provides a person is entitled to a patent unless the invention was known or used by others in this country before the date of his invention.

The date of Mr. Junker's Invention was presumed to be the date of his application. He has the burden to prove by

clear and convincing evidence of an earlier date of reduction to practice, conception and reduction to practice. He has not done so, because none of the evidence he has submit [46] actually shows the design as claimed in his patent.

Its undisputed that his '839 patent design was known and used by all defendants prior to February 7, 2000.

Would you like me to continue section by section, your Honor?

THE COURT: Yes.

MR. THOMAS: The defendants move the Court for a judgment as a matter of law under section 102(e)(2), which provides a person is entitled to a patent unless the invention was described in a patent granted on an application by patent by another filed in the United States before the invention by the applicant.

Again, the date of Mr. Junker's invention, the constructive date was February 7, 2000, which is after the filing date of the Gait patent, which was January 13, 2000.

Mr. Junker testified unequivocally that the drawings of the '914 patent were disclosed In the same invention he claims In the '839 patent.

THE COURT: Hold on just a minute, please.

MR. THOMAS: Therefore, the '914 patent anticipates the '839 patent unless Mr. Junker can prove an earlier date

of the invention, which is conception followed by reduction to practice.

If he does attempt to do so, ha is now In a position of a prior inventor, and he bears the burden of evidence on this [47] point, which must be clear and convincing and must be corroborated. I have a case citation if your Honor would like me to read it into the record.

THE COURT: You may read whatever you want.

MR. THOMAS: Okay. Bonker Carr versus C.R. Bard (phonetic) and – at I'm sorry, your Honor, I only have a partial citation. I can get that if the Court needs it later.

Also, Cooper versus Goldfarb, 154 F.3d 1321, page 1330 in the Federal Circuit 1998.

There is no evidence presented by the plaintiff that corroborates Mr. Junker's claim to have invented the design shown and claimed in this patent before January 13, 2000 or any other prior time.

His corroboration consists of these items, and none others.

First, is the acrylic model that he claims to have presented in the November 12, 1998 meeting, although Mr. Eddings and Mr. Gillespie thought that the model presented was different than shown in Plaintiffs Exhibit 7.

He testified unequivocally to Mr. Young's question that this model did not disclose the design claimed in his patent.

Second, possibly corroborating is a sketch and the fact that he sent to Mr. Eddings on December 1998, Plaintiffs Exhibit 5. Obviously, this sketch does not show the ornamental design claimed in the patent.

[48] There are letters that Mr. Junker sent to the customer, Plaintiffs Exhibit 9 and 10, in the fall of 1999, They not only do not disclose the design which Mr. Junker admits he got these samples that he sent from Galt.

Finally, his letter of November 24, 1999 to a customer encloses a sample of his entire introducer, Plaintiffs Exhibit 11. This letter does not disclose the design, Mr. Junker admits he got those samples from Galt.

So there is no corroboration from his oral testimony that he was the inventor of the design claimed in the '839 patent prior to the date stated.

Next, the plaintiffs (sic) move for a judgment as a matter of law on the grounds that the patent is invalid under section 102(f). 102(f) provides a person is entitled to a patent unless he did not himself invent the subject matter sought to be patented.

All the evidence shows that Mr. Junker did not conceive and reduce to practice this invention, but the evidence clearly shows that Mr. Eddings and Mr. Gillepie sat down and conceived this invention, reduced it to practice in the form

of the plastic model which was subsequently measured by Mr. Gillespie, entered into a database, renderings done of it, tangible evidence introduced by the defendants that that was a conception of this Invention, and when the invention was actually made, it was a reduction to practice.

[49] Therefore, Mr. Junker has the burden to show by clear and convincing evidence that he conceived and reduced to practice the invention before that time.

We move the patent is invalid under section 102(g), which says a person is entitled to a patent unless before the person's invention the invention was made in this country by another inventor and not abandoned, suppress, or concealed.

The same evidence I have just recited shows that Mr. Eddings and Mr. Gillespie made the invention here, that there is an invention, they certainly constructed the design of the claims in his patent application.

Further, we argue there is no evidence, or insufficient evidence, to support the following claims of the plaintiff: Plaintiff claims he is entitled to an ownership interest, or a constructive trust of the Galt '914 patent.

To own a patent means, of course, to own the patent right, the right created by the patent. This right is the right to exclude others from making, using, or selling the invention that Is claimed in the patent.

Appendix C

'914 it is undisputed, and can easily be determined by simply reading the claims, does not claim the ornamental design. It creates no right to exclude others from making an ornamental design.

THE COURT: The issue you are now arguing is a remedy question, which is not going to be submitted to the [50] jury.

Well, If I'm misunderstanding you, then correct me.

MR. THOMAS: I think it would be – I still think the Galt defendants would be entitled as a matter of law, because there is no logical connection between the attachment of this patent.

THE COURT: I misunderstood you.

MR. THOMAS: Although Mr. Junker seems to be claiming now in his testimony developed at trial that he was – if I understood him correctly, that he claimed to have invented the locking mechanism that is a claim for the '914 patent. We're entitled to judgment as a matter of law there because this issue was not pled. There is no question of validity of the ownership of the '914 patent.

THE COURT: Well, let me interrupt you for just a minute and come back to where you are, because I don't want to cut you off.

It's my understanding the claim to the '914 patent is based on an alleged breach of the confidentiality or

nondisclosures agreement, and they are claiming that because your client used the information that your client got from Mr. Junker in obtaining the '914, that's why we have two questions, that the remedy for that would be that they get the patent. There is – they would argue that if they had favorable answers to those questions, That's my understanding [51] of their position on that.

Mr. THOMAS: I understand that, your Honor. I submit that we're entitled to judgment as a matter of law on that, because there is no evidence that anything that Mr. Junker submitted about the locking device made its way into the '914 patent. Mr. Gillespie's testimony is that the patent itself was unequivocal on this point. So we move for judgment as a matter of law on that point.

Finally, we move – also move the Court for a judgment as a matter of law on the various state law claims of the complaint that defendants tortiously interfered with Mr. Junker's business, and the defendants have been unjustly enriched.

THE COURT: There aren't any questions on any of that.

MR. THOMAS: Excuse me. They were withdrawn.

There is a question about the breach of contract. We submit there is no evidence, or insufficient evidence, to submit – on that issue, that they are entitled to judgment as a matter of law.

Appendix C

I believe those are all the claims still existing in the case, and we move the Court, as stated, for judgment as a maker of law on those issues.

THE COURT: All right. The motions are denied without prejudice to the issue being raised either post [52] verdict or – post verdict.

All right. We'll be just in standing recess here until Scott comes back. I'll give you all time to read through the charge and then we'll take your objections and then we'll bring the jury in for closing arguments.

I'm just going to stay in here.

You can be excused, yes.

(Brief recess.)

THE COURT: I'll hear objection to the Court's instructions. Let me raise three small items.

On page 1, I think Scott notified you of this, on the fifth line the word "has" should be "as."

Page 6 in the third paragraph the word "was" should be inserted before the word "first."

At the bottom of that page, the bracketed language, should that be there, patented or described in the printed publication?

MR. THOMAS: No, it should not, your Honor.

THE COURT: All right. Now, only the other Issue I want to raise with you all was that the way we have now formulated this it isn't clear to the jury how anticipation plays, I don't know if you're troubled by that or not. Its in the description of – I mean, it's here, but there is no question now about anticipation.

It's implicitly park of the invention question. I'm [53] happy with it if you are okay.

MR. THOMAS: It's satisfactory to the defendants.

THE COURT: All right. Then let me hear objections from the plaintiff to the Court's charge?

MR. PETRUZZI: Your Honor, plaintiff does not have objections to this version of the charge we just received.

THE COURT: All right.

Defense.

MR. THOMAS: Defense has no objections to this version of the charge.

THE COURT: All right. I'm going to – with your permission, I'm going to have Scott make those three changes that I have summarized, two on page 6, one on page 1, and then print the jury's copy. I'm going to start reading the charge without them having the copies, because it will – there is no

necessity for them having it. He will get them In here in a reasonable time, then we can bet started.

You can go ahead and bring in the jury.

THE COURT: Let me ask you one question.

I would like, with your permission, question number 7, reformulate that for the jury so that I say if you answered yes, you are finding that he was not the first inventor. If you answer no, you are finding he was the first inventor. Because otherwise this double negative is very –

MR. THOMAS: I think that's a good idea, your Honor.

* * * *

APPENDIX D — FEDERAL RULE OF CIVIL PROCEDURE 50

FEDERAL RULES OF CIVIL PROCEDURE

VI. Trials

Rule 50—Judgment as a Matter of Law in Jury Trials; Alternative Motion for New Trial; Conditional Rulings

(a) Judgment as a Matter of Law.

(1) If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that party and may grant a motion for judgment as a matter of law against that party with respect to a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue.

(2) Motions for judgment as a matter of law may be made at any time before submission of the case to the jury. Such a motion shall specify the judgment sought and the law and the facts on which the moving party is entitled to the judgment.

(b) Renewing Motion for Judgment After Trial; Alternative Motion for New Trial.

If, for any reason, the court does not grant a motion for judgment as a matter of law made at the close of all the evidence, the court is considered to have submitted the action to the jury subject to the court's later deciding the legal

questions raised by the motion. The movant may renew its request for judgment as a matter of law by filing a motion no later than 10 days after entry of judgment— and may alternatively request a new trial or join a motion for a new trial under Rule 59. In ruling on a renewed motion, the court may:

(1) if a verdict was returned:

(A) allow the judgment to stand,

(B) order a new trial, or

(C) direct entry of judgment as a matter of law; or

(2) if no verdict was returned;

(A) order a new trial, or

(B) direct entry of judgment as a matter of law.

(c) Granting Renewed Motion for Judgment as a Matter of Law; Conditional Rulings; New Trial Motion

(1) If the renewed motion for judgment as a matter of law is granted, the court shall also rule on the motion for a new trial, if any, by determining whether it should be granted if the judgment is thereafter vacated or reversed, and shall specify the grounds for granting or denying the motion for the new trial. If the motion for a new trial is thus conditionally granted, the order thereon does not affect the finality of the judgment. In case the motion for a new trial has been

conditionally granted and the judgment is reversed on appeal, the new trial shall proceed unless the appellate court has otherwise ordered. In case the motion for a new trial has been conditionally denied, the appellee on appeal may assert error in that denial; and if the judgment is reversed on appeal, subsequent proceedings shall be in accordance with the order of the appellate court.

(2) Any motion for a new trial under Rule 59 by a party against whom judgment as a matter of law is rendered shall be filed no later than 10 days after entry of the judgment.

(d) Same: Denial of Motion for Judgment as a Matter of Law. If the motion for judgment as a matter of law is denied, the party who prevailed on that motion may, as appellee, assert grounds entitling the party to a new trial in the event the appellate court concludes that the trial court erred in denying the motion for judgment. If the appellate court reverses the judgment, nothing in this rule precludes it from determining that the appellee is entitled to a new trial, or from directing the trial court to determine whether a new trial shall be granted.